

#### OFFICIAL LETTERHEAD

November 13, 2008

Director Don Dietrich Idaho Department of Commerce P.O. Box 83720 Boise, ID 83720-0093

Dear Director:

The City of Downey respectfully submits this application for an Idaho Community Development Block Grant. The Idaho Department of Environmental Quality has identified that our water system fails to meet state and federal requirements for springs protection and fire protection. The springs are exposed to contamination from surface water and grazing animals. The city residents are exposed to fire hazards due to undersized distribution pipe and dilapidated lines. There are also problems with dead-end main lines and lack of protection from freezing.

Our project is separated into two phases. Phase One will replace the distribution lines; this phase has already been funded, designed and is in the bidding stage. We are asking for your help to fund Phase Two, the springs work. Our project has been in development for two full years and is very advanced in areas of planning and funding. The City already enacted the USDA recommended average user rate of \$42.00 and the bond was approved with a 77% pass ratio. The project funding includes \$125,000 of City cash, \$10,000 of City in-kind labor, a USDA grant of \$460,000, a USDA loan of \$1,365,000 and a \$500,000 Block Grant. The USDA funding officials have indicated that they expect Downey to be the first project they fund this year.

This project will make seriously-needed improvements to the water delivered to the City residents and will bring the system into compliance with state and federal regulations.

We very much appreciate your concern and attention to our grant request.

Sincerely,

Dennis Phillips Mayor, City of Downey

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# ICDBG APPLICATION INFORMATION FORM

Applicant: City of Downey	Chief Elected Official: Mayor Dennis Phillips					
Address: 15 South Main Street, PO Box 204, Downe	y, ID 83234 Phone :208-897-5342					
Application Prepared by Susan Lorenz, Southeast Idaho Council of Gov Phone: 208-233-4032 ext. 32						
Address: P.O. Box 6079, Pocatello, ID 83205-6079						
Architect/Engineer/Planner: Robert Ramsey Jr., Ci	ivil Science Phone: 208-421-0891					
Address: 450 Falls Avenue, Twin Falls, ID 83303-19	001					
NATIONAL OBJECTIVE (MARK ONE)	PROJECT TYPE (MARK ONE)					
LMI Area LMI Clientele	Public Community Center Facility/Housing					
LMI Jobs Slum & Blight	Economic Development Senior Center					
Imminent Threat	Imminent Threat Other					
PROJECT POPULATION TO BENEFIT (PERS	ONS): (Census/Survey/Clients/Jobs)					
TOTAL # TO BENEFIT: 617	TAL # LMI TO BENEFIT: <u>347</u>					
% LMI TO BENEFIT: <u>56%</u> % M	MINORITY POPULATION: 2.9%					
PROJECT DESCRIPTION: The City of Downey r	must fence and herm multiple springs redevelor					

**PROJECT DESCRIPTION**: The City of Downey must fence and berm multiple springs, redevelop springs, and replace exposed transmission pipe. The fencing and berming will provide protection from the existing contamination exposure from surface water and cows. Redevelopment of springs will increase the water source supply. Replacing exposed pipe will increase the safety of the water supply.

SOURCE	AMOUNT	DATE APPLICATION SUBMITTED	RESERVED/ CONDITIONAL AWARD	FUNDS COMMITTED/ CONTRACT AWARD DATE	DOCUMEN- TATION IN APPENDIX
ICDBG	500,000				
Local Cash	125,000			November 2007	Exhibit 7
Local Loan*	1,365,000	November 2006		December 2007	Exhibit 7
Local In-Kind**	10,000	00 November 2007 E		Exhibit 7	
USDA-RD Grant	460,000	November 2006		December 2007	Exhibit 7
DEO Grant					
IDWR	7,500	March 2002		April 2003	Exhibit 7
State Grant	0				
Foundation	0				
Private	0				
TOTAL PROJECT FINANCING	2,467,500				

<sup>\*</sup>Identify Loan Source(s): USDA has purchased the bond. Date Bond Passed November 07, 2007.

<sup>\*\*</sup>Describe In-Kind Match by type and amount: In-kind match consists of using infill materials from the city-owned gravel pit. Cash match was provided by the City which paid \$3,500 toward Project Development, \$14,000 for the 2007 study, \$7,500 for the 2003 study, and \$10,000 for legal and audit fees. The City is also contributing an additional \$100,000 in cash to construction.

# ECONOMIC ADVISORY COUNCIL

The City of Downey received deficiencies from the Idaho Department of Environmental Quality (IDEQ) for exposure to contamination at the main water spring and for problems with the distribution system. The project was divided into two phases, the first being the distribution system and the second being the work on the springs and transmission line. Phase One (\$1,365,000 in loan funds and \$460,000 in USDA grant) has been funded and is currently in the bidding stage. Phase Two will resolve the problems at the springs and with the transmission line. It was necessary to divide the project into two phases because the distribution system was funded in full. Waiting for the springs work to get funded would have driven the project costs upward, so it was decided to move ahead. We have found that we get better prices in Southeast Idaho when it is possible to bid late in the fall. Contractors are looking for opportunities to keep their crews working until a winter shutdown is necessary.

This application will fund Phase Two, the work at the springs (\$518,750 combination of block grant and city cash). The springs supply water to the city, and this area is exposed to possible contamination from grazing cattle and surface water. IDEQ has issued two violations for conditions at the springs. Both deficiencies address unsafe exposure. In the first deficiency, IDEQ states: The area within 100 feet of all the springs collection areas is not fenced to prevent trespass of livestock. In the second deficiency IDEQ states: the city is required to ensure that the surface water is diverted from the 100 foot protection zone around all spring collection areas. The deficiency tells the city that the exact location of all springs collection areas and/or springs collection boxes must be appropriately fenced and all surface water must be diverted out of the protection zones.

Satisfying these deficiencies presents a challenge to the city because the city water is provided by many different springs, not just one or two. The springs are located up two different arms of a canyon, effectively providing a challenge similar to that of two separate canyons, and the land is very steep. Another challenge is the distance between the springs ranges from a few feet to half a mile. The deficiencies can be met by berming and fencing the multiple springs areas. See Exhibit 15 to view a series of pictures that demonstrate the challenges of fencing and burming.

The project also includes making improvements to the transmission line. The transmission line is exposed to freezing because the lines are not far enough under the ground. Some the lines are above ground. See photos in Exhibit 15. Phase Two of the project will rectify these problems with the transmission line by replacing and burying lines that do not meet the requirements for depth. The project also includes some spring redevelopment to increase the volume of water.

The City of Downey is contributing \$125,000 in cash and \$10,000 in in-kind work to the project. See Exhibit 10 to see outstanding community support. The community is very supportive of the project. The bond was passed with a 77% pass rate. The user rates will be \$42.00 per month and the LMI rate is 56.24 %.

Funding this \$500,000 block grant will allow this quaint little city to continue providing the surrounding farming community with gasoline, groceries, health care, senior services, elementary school for children and a volunteer fire department.

# THRESHOLD CRITERIA

#### **ELIGIBILE APPLICANT**

The applicant is a City	The applicant is a County
The applicant is not sponsorir	ng a subrecipient and this is not a joint application

#### **ELIGIBLE ACTIVITIES**

This water improvement project will include eligible activities:

Fence, berm and redevelop the springs, make improvements to the transmission line so it is not above ground or too shallow.

#### NATIONAL OBJECTIVE:

## Low-and-Moderate Income Area Benefit

Total Number of Households\* in Project Benefit Area

233

LMI Percentage Determined by: (Check one and complete requested information)

Survey** (survey requirements in Chapter 3)	_ <u>X_</u> _C	ensus (BG=	Block Gro	up) List the l	BG for each tr	ract
Survey Report, Sample Survey, Survey	Tract	BG	BG	BG	BG	
Tabulation, Boundary Map*** are found in N/A.	Tract	BG	BG	BG	BG	
III <u>IV/A</u> .	Tract	BG	BG	BG	BG	

This project meets the national objective by providing a benefit to low-and-moderate income persons of at least 51%. The City has 56.24% (347) LMI individuals in the population.

#### **CITIZEN PARTICIPATION**

The City has held three public hearings on the Downey Water Project. The first was in November 2006, and the second was in October 2007 (See Additional Planning in Exhibit 14 for affidavits of publication). The City passed an updated Citizen Participation Plan on October 14, 2008 (Exhibit 1), and also held a public hearing to discuss the project. See Exhibit 1 to view the 2008 Citizen Participation Plan, Proof of Public Hearing Publication, sign-in sheet, handout of information and meeting minutes.

Date of Notice <u>10/06/008</u>	Date of Hearing <u>10/14/08</u>
Date of Notice <u>09/27/007</u>	Date of Hearing 10/09/07
Date of Notice <u>10/30/006</u>	Date of Hearing 11/06/06

The citizens are in full support of the project. The bond was passed with a 77% pass rate (Exhibit 7). Twenty-six citizens signed a petition in support of the project and many support letters were received (Exhibit 12).

<sup>\*</sup>Note: For water and sewer projects, this is the number of households hooked onto the system and any households that will hook onto the system once the project is complete.

#### STATEWIDE GOALS AND STRATEGIES

# Goal: Preserve and enhance suitable living environments

The City of Downey Water Improvement Project meets statewide goals and strategies. The project is a water improvement project that preserves and enhances the environment for the citizens of the City of Downey.

## Strategy: Improve safety and livability of communities

The project brings the water system into compliance with environmental standards by improving fire safety and protecting the water from contamination. This project therefore meets the statewide goal to preserve and enhance suitable living environments because it improves the safety and livability of the community. The condition of the water system has seriously jeopardized and even detracted from the living environment of the citizens of Downey.

The project brings the pipe diameter to six-inch minimums for main lines to fire hydrants. It replaces dilapidated distribution pipe at a depth that will protect the city from freezing pipes. It removes dead-end lines that have no capacity for flushing. It increases the water supply and protects it by berming, fencing and redeveloping the spring, and by replacing exposed transmission line.

# **ADMINISTRATIVE CAPACITY**

The City has procured an experienced certified grant administrator to assist the City with managing the Block Grant funds and to meet the related Federal requirements (Exhibit 2). The administrator will assist with coordination between involved parties and help the City monitor progress. The administrator will assist the City in the resolution of disputes if disagreements or confusion should arise in the execution of the project and in the preparation of reports and will also serve as the labor standards officer. See Exhibit 2 for the following documents: City Letter to Don Dietrich dated October 1, 2008, Proof of Publication, Council meeting minutes from September 12, 2006, selecting an Administrator, and documentation of executed Professional Services Contract.

#### **FAIR HOUSING**

The City has designated a Fair Housing Resource Person. See Exhibit 6.

The City of Downey proclaimed April as Fair Housing Month on April 10, 2007. The City also passed an updated Fair Housing Resolution that took effect on April 15, 2007. The City publishes the Fair Housing Resolution each April to demonstrate their commitment to nondiscrimination in housing. The updated Fair Housing Resolution was published on April 25, 2007 and again on April 7, 2008. See Exhibit 6 for the Proclamation of Fair Housing Month, the 2007 update to the Fair Housing Resolution, the 2007 affidavit of publication and the 2008 affidavit of publication.

The building code is an integral part of the Fair Housing measures taken by the City of Downey. In December 2002 the City adopted the International Building code. This code applies to all

building in the city regardless of its connection to or disconnection to race, color, religion, sex, disability, familial status or national origin. See documentation of adoption in Exhibit 6.

# **PROGRAM INCOME**

No program income will be created by this project. The water system improvements are financed by grants and loans. Debt is serviced through the user rates charged to each connection.

# GENERAL PROJECT DESCRIPTION

#### COMMUNITY DESCRIPTION

The City of Downey is located in Bannock County, about 40 miles south of Pocatello and 5 miles east of I-15. See the State of Idaho map in Exhibit 9, which shows the location of the City of Downey in relation to the State of Idaho. The second map in Exhibit 9 shows where Downey is located in relation to the several counties in Southeast Idaho. Downey serves largely as a bedroom community to the City of Pocatello. The city has a library, a grocery store, a senior center, a medical clinic and a volunteer fire department. The city is surrounded by farmland and provides many services to rural families such as an elementary school, banking, hardware store and gasoline.

(continued on next page)



# **Bannock County**

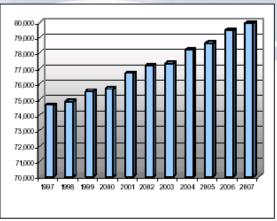
October 2008

#### **Population**

Bannock County's diverse recreational opportunities, striking scenery, access to higher education and location at the intersection of a major north-south and east-west interstate system contributes to population growth and the economy. Bannock County's population has grown from 75,565 in 2000 to 79,925 in 2007. That is an average of growth rate of about one percent per year. Population growth has been below the state's level primarily because northern Idaho and the Treasure Valley have had growth rates which rank among the top in the nation. Bannock County and southeastern Idaho are now being discovered and it is anticipated area growth rates will increase.

Pocatello, the county seat, is nestled in the foothills of the Portneuf River Valley. It is a major trade area for southeastern Idaho and home to Idaho State University and Pebble Creek Ski Area. Spectacular Lava Hot Springs features geothermal heated pools, which add to the year-round tourism enjoyed throughout the area.

# **Work Force Trends**

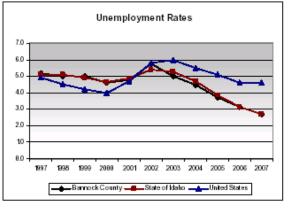


## Labor Force & Employment

Bannock County enjoys a diverse and highly-skilled labor force with an excellent work ethic. During the early 1990s, major business expansions and relocations positively affected employment in Bannock County.

Over the last decade, mining operations decreased as food manufacturing and construction activity increased dramatically. Much of the construction activity has been residential building but major commercial construction projects, such as new shopping centers, highway upgrades. Idaho Central Credit Union's state headquarters, three new motels, four new banks, and projects at Idaho State University, kept construction workers busy all year. Larger employers such as Convergys, Heinz, Quest and Varsity Contractors continue to grow and hire additional workers. The number of retail jobs have also increased dramatically the past couple of years as established business grew and

Labor Force	Sep 2007	Sep 2008
Civilian Labor Force	42,617	41,856
Total Employment	41,532	39,966
Unemployed	1,086	1,890
% of Labor Force Unemployed	2.5	4.5
State of Idaho % Unemployed	2.7	5.0
U.S. % Unemployed	4.7	6.1



repositioned themselves in the market. In the past couple of years several new retail businesses moved into the area.

After several years of declining number of workers it appears the transportation industry is growing once again. Reversing recent trends of job consolidation Union Pacific Railroad has been steadily adding workers and the number of workers employed by truck transport employers is growing as area business activity increases. Construction work has slowed but many construction worker remain in the area anticipating more commercial construction project

Labor Force	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Civilian Labor Force	38,619	39,209	39,302	38,397	37,893	38,622	39,398	39,813	40,193	40,108	40,130
Unemployment	2,013	1,951	1,959	1,764	1,805	2,225	1,968	1,786	1,492	1,258	1,082
% of Labor Force Unemployed	5.2	5.0	5.0	4.6	4.8	5.8	5.0	4.5	3.7	3.1	2.7
Employment	36,606	37,258	37,343	36,633	36,088	36,396	37,430	38,028	38,701	38,849	39,048

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Phone: (208) 236-6710, ext. 3713 • e-mail: <a href="mailto:scott.hobdey@labor.idaho.gov">scott.hobdey@labor.idaho.gov</a> • Labor Market Information Web site: <a href="mailto:lmi.idaho.gov">lmi.idaho.gov</a>



## Industry Employment & Wages

The trade and service industries provide nearly half the jobs in Bannock County. This tends to lower the overall average of wages in the county because many of these jobs are food service jobs which are part time and pay the lowest wages. The Government sector provides a quarter of the jobs in Bannock County because Pocatello is the location of Idaho State University, the Idaho Women's Correctional Facility, FBI Western Region Customer Support Center, US Federal Court House, US Forest Service, BLM, Idaho Fish & Game as well as school districts and cities.

Wages in Bannock County are lower than in most of the United States and fall in about the middle of all Idaho counties.

Major Employers
ON Semiconductor, Inc.
Convergys Customer Management
Farm Bureau Insurance
Farmers Insurance
Heinz Frozen Foods
Idaho State University
Portneuf Medical Center
Qwest Communications
Teleperformance USA
Union Pacific Railroad

Occupational Wages*	Starting Wage
Assemblers/Production Workers	\$9.03
Cashiers & Retail Sales	\$6.19
Clerks, General Office	\$9.99
Corrections Officers	\$13.10
Customer Service Reps.	\$7.71
Home Health & Nurses Aides	\$7.69
Janitors and Cleaners	\$7.37
Maintenance & Repair Workers	\$9.87
Nurses, Registered	\$19.83
Secretaries & Admin. Assistants	\$8.46
Teachers	\$31,750.00
Telemarketers	\$7.98
Truck Drivers	\$9.35

Additional Occupational Wage data can be found on the Department of Labor Web site at <u>Imi.Idaho.gov</u>.

Covered Employment & Average Annual	1997		2006	3	2007	
Wages Per Job for 1997, 2006, & 2007	Average Employment	Average Wages	Average Employment	Average Wages	Average Employment	Average Wages
Total Covered Wages	28,116	\$22,025	34,280	\$28,267	34,892	\$29,015
Agriculture	63	\$15,635	101	\$21,398	97	\$22,627
Mining			*			•
Construction	1,822	\$23,663	1,972	\$26,891	2,012	\$28,975
Manufacturing	2,702	\$31,502	2,533	\$46,352	2,529	\$49,113
Trade, Utilities, & Transportation	5,937	\$20,163	6,244	\$25,377	6,289	\$26,203
Information	396	\$21,363	678	\$31,351	758	\$29,970
Financial Activities	1,457	\$25,304	1,744	\$36,830	1,793	\$37,162
Professional and Business Services	1,820	\$20,097	5,284	\$21,989	5,374	\$22,866
Educational and Health Services	2,432	\$24,317	3,151	\$28,094	3,290	\$28,589
Leisure and Hospitality	3,238	\$7,799	3,422	\$10,418	3,621	\$10,638
Other Services	897	\$16,543	772	\$22,641	778	\$23,351
Government	7,344	\$25,717	8,355	\$35,163	8,327	\$35,893

Per Capita Income	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Bannock County	\$18,501	\$19,411	\$19,915	\$20,833	\$21,903	\$22,284	\$22,805	\$24,101	\$24,749	\$25,871
State of Idaho	\$20,648	\$21,789	\$22,786	\$24,077	\$25,024	\$25,221	\$25,524	\$27,361	\$28,301	\$29,920
United States	\$25,334	\$26,883	\$27,939	\$29,843	\$30,574	\$30,821	\$31,504	\$33,123	\$34,757	\$36,714
Information provided by Maho	Commerce & La	bor.								



This county is served by the office located at the address below: Idaho Department of Labor 430 N. 5th Ave. Pocatello, ID 83205-4087 Ph: (208) 236-6710

labor.idaho.gov

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Costs associated with this specific publication are available by confacting Idaho Department of Labor.

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#### COMMUNITY NEEDS ASSESSMENT

				Previously ICDBG Funded
Facilities and Infrastructure	Poor	Fair	Good	last 10 years
Water	X			X
Sewer	X			
Electrical		X		
Fire		X		
Hospitals	X			
Work Force Housing		X		
Roads		X		
Railroads		X		
Airport		X		
Broadband	X			
Senior Center			X	
Community Center		X		
Community Recreation Facilities	X			
Employment Opportunities	X			
Other				

There are several infrastructures in poor condition but the water is the most critical. The Idaho Department of Environmental Quality has issued violations to the City in the areas of spring protection and fire protection. See Exhibit 12 to view documentation of the violations listed in the DEQ Sanitary Survey. The spring is the major source of water for the city. It is exposed to surface water contamination and grazing contamination. The cost of safeguarding the water is great. Please see Exhibit 9 Maps. The topography map illustrates the extremely steep slopes with springs scattered up two different gullies. The springs trailing up the longest gully are sometimes close to one another and sometimes far apart. The closest springs are only a few yards apart and the farthest are a daunting ½ mile apart. The next map in Exhibit 9 (Fig N-1: Downey Regional Area) may help demonstrate the extremely steep slopes. The water system also has undersized pipes that make it impossible to hook up a pumper truck without collapsing the system. Multiple leaks are causing large water losses and exposing the city to contaminants. The distribution lines are not three feet below the surface. This means the pipes freeze up in the cold winter months. A county geologic map and a soil survey map are also included in Exhibit 9.

The sewer system is old but still performing. It will need attention in the near future but is not critical. There are no hospitals in the City of Downey but a clinic is operating in the city and the City of Pocatello provides hospital services to Downey and other rural towns. The Senior Center provides lots of support to the older citizens but younger individuals find recreation in nearby Pocatello and Lava Hot Springs. Some local jobs exist but the majority of workers commute to other towns to work. The city is currently updating their Comprehensive Plan.

#### PROJECT DESCRIPTION

Phase One was funded first to allow the leaks and freezing pipes to be addressed before the next cold freeze. A different type of contractor can construct the springs area as the majority of that work consists of installing fencing and moving earth. Also, it is in the best interest of the City to bid out the distribution phase now because the springs work must be done later in the summer after all the snow has melted, while the distribution phase can be under construction during much of the winter.

Phase One, the distribution system, is already underway. Phase One has been funded, designed, and is in the bidding phase. In this area of Idaho, we often see very good prices on construction projects when they are bid late in the fall. Contractors are keen to keep their workers employed, and even though there is often a brief winter shutdown, the costs savings are worthwhile. Many projects came in under estimates over the summer and fall, so we hope to see a good price for Phase One. See documentation for funding in Exhibit 7 and see letter dated November 12, 2008, from the engineer documenting design completion and bidding in Exhibit 8.

This application is for funding of Phase Two. Phase Two includes fencing and burming of springs, rehabilitation of one of the springs and replacing exposed transmission line.

Fencing specifications were researched to determine the type of fencing needed for the springs. DEQ requires that livestock be kept away from the springs area but it is not necessary to go to the extra cost to keep deer out of the area. Based on this information, the unit cost for fencing reflects a 4-strand barbed wire fence. This has allowed the cost of the fencing to be reduced.

Maps of the project area are located in Appendix 9. Included in Exhibit 9 is a topography map indicating that the springs are located in two different canyons and that the sloop is very steep. Notice that the springs consist of many springs located at varying distances from one another. The grant writer visited the springs in person taking pictures and getting an understanding of the complications of the area. Some of the springs are reasonably close to one another but some are half a mile apart. Some of the springs can be fenced off as a group but several different areas of fencing will be required. The area is too large to cost-effectively fence off the entire area into one compound. See photographs and an account of a visit to the springs in Exhibit 15. The topography map and following regional map demonstrate the steep slopes that complicate the berming and fencing work.

The City of Downey Water Project will utilize Block Grant Funds in Phase Two for both engineering services and construction costs. The project costs have been estimated with Davis-Bacon wages.

The springs area has received citations for exposure to both groundwater and livestock. See Exhibit 12 for documentation of DEQ deficiencies at the springs. The area is not protected now so livestock and other animals are free to use the area for grazing. hunting and gathering. This exposes the spring to contamination from animals. The project fences off an area that is large enough to protect the various spring locations. The springs are also exposed to water runoff. The land is very steep and all the snow melt and rain water flows straight into the gullies where the

springs are located. This exposes the springs areas to contamination from surface water. The project will berm around the springs so that surface water runoff is diverted away from the area. All of the pipes and other parts will be examined; damaged and exposed transmission line and parts will be replaced. The largest springs will be refurbished with larger piping to increase the capture of water for delivery to the city.

#### Schedule

The engineer has submitted an updated schedule addressing Phase Two. Please refer to the Phase Two schedule located in Exhibit 8. The funding application for Phase Two is submitted in November 2008. Engineering design will be completed in January of 2009 and submitted for approval from IDEQ at that time. The bidding process will be initiated in March and completed in April. Construction will begin in June and reach substantial completion in August 2009.

#### **User Rates**

In an effort to be ready for the project, the City raised its rates to \$27.50 in October 2007 and raised the rates to \$40.00 January 2008. Please see Exhibit 13 for USDA user rate analysis indicating the loan determination. Monthly cost per EDU is \$41.92.

#### **Cost Estimates**

Exhibit 8 contains cost estimates for phase two that are date stamped by the engineer. Cost estimates for the distribution phase that was funded last year and is now in the bidding stage, and a schedule for the phase 2 spring improvements.

#### PROJECT LAND & PERMITS

1.	Has any land been purchased for this project?  List the date of purchase	Yes 🖺 No
	What funds were used to make this purchase?	
2.	Have any buildings been purchased for this project? List the date of purchase	Yes ≞ No
	What funds were used to make this purchase?	
3.	Have any easements been purchased for this project? List the date of purchase	Yes 🖺 No
	What funds were used to make this purchase?	
4.	Are any rights-of-way permits required for this project? Permit submission date May 2008 Permit approval date: October 02, 2008 See Exhibit 14 UPRR Offer of Agreement	Yes No
5.	Will any land be needed for this project?	Yes 🖺 No
	Status of the purchase: No new land will need to be purchased.	The City owns all the land
	needed for the project. Easements and rights of way are already	in place. See Exhibit 16.
	Estimated date of final purchase:	
	What funds were used to make purchase?	

6.		Yes 🖺 No
	Status of the purchase:	
	Estimated date of final purchase:	
	what funds were used to make purchase:	
7.	Will any easements be needed for this project?  Status of the purchase:	_Yes <u>BB</u> No
	Estimated date of final purchase:	
	What funds were used to make purchase?	
	•	
8.	Is anyone living on the land or in the structures at the proposed site	? _Yes <u> </u>
9.	Is any business being conducted on the land or in the structures at the	ne proposed site? Yes <u></u> B昌No
10	Are there any businesses, individuals, or farms being displaced as a	result of this project?YesNo
11.	Are there permits that will be needed for the project; i.e. well, water application, demolition permits, zoning permit, air quality permit, e	_
	Status of Permits: We will need a building permit from the county a construct after the final specifications are in.	
12.	Describe the ownership or lease arrangements for the property invo The City owns all the land needed for the project. Easements and rialready in place.	1 0

# **BUDGET**

#### **ICDBG BUDGET FORM**

	PHASE ONE				PHASE TWO			
Line Items	USDA Grant	USDA Loan	City Cash	Water Resources Facility Grant	In-Kind	City Cash	Block Grant	Total
Planning						3,500		3,500
Facility Plan				7,500		21,500		29,000
Grant Administration							50,000	50,000
Design Professional		98,360	38,250			16,750	54,250	207,610
Construction	460,000	1,216,640	35,000		10,000	,	395,750	2,117,390
Legal and Audit	,	, ,	8,000		,	2,000	· · · · · · · · · · · · · · · · · · ·	10,000
Financing Expenses		50,000						50,000
TOTAL COSTS	460,000	1,365,000	81,250	7,500	10,000	43,750*	500,000	2,467,500

<sup>\*</sup>In addition to the up-front planning cash, \$100,000 has been approved to count as match in Phase Two even though much of it was spent in Phase One. See IDOC letter in Exhibit 7.

#### **BUDGET NARRATIVE**

**Planning**: The city expended \$3,000 for financial packaging and grant writing services. The city also paid \$500 to help fund the environmental review work.

**Facility Plan:** The facility plan was submitted in 2003. This \$14,000 study was funded with 50% grant and 50% City cash: \$7,500 grant from the Idaho Department of Water Resources (IDWR) and \$7,500 of cash match. The City paid an additional \$14,000 to update and complete the study in 2006.

**Grant Administration:** The grant administration will be 10% of the amount of the ICDBG grant.

**Design Professional:** These costs include the engineering services for preliminary and final design work. The costs for bidding and construction oversight are also included.

**Construction:** The construction costs include the cost of equipment, labor, transportation, materials, transportation of materials, traffic control and surveying.

**Legal and Audit**: The legal costs include the cost of the bonding attorney and estimated costs for legal services to review documents and provide a legal opinion if required. This also includes costs associated with the audit required after completion of the grant.

**Financing Expenses**: The USDA loan has associated financing costs. The funds are distributed during the project with an interim financing account. When the entire loan amount is financed, then USDA distributes the loan funds.

**Block Grant:** The Block Grant is for \$500,000. Ten percent of the block grant amount will be used for administration of the grant. The remainder of the grant will be used to pay for design costs and construction costs.

**USDA Grant**: This fund will be used to pay for construction costs.

**USDA Loan:** The USDA loan will be used to pay construction, design and financing costs.

**IDWR Facility Grant:** This fund was used to pay for 50% (\$7,500) of the costs (\$15,000) of the 2003 Facility Study.

**City Cash Phase One and Phase Two:** The City paid \$3,000 for project development and grant writing services. In order to help get the environmental review completed for IDEQ and USDA, the city paid \$500. The facility plan was started in 2003 with a \$15,000 project of which \$7,500 was City cash match. The Facility Plan Study was updated and completed in 2007 with \$14,000 of city cash.

The City is contributing \$125,000 of cash to the project. \$25,000 has already been expended as described above. A portion of the \$100,000 is in Phase One: \$38,250 for design, \$35,000 for construction and \$8,000 for legal and audit expenses. In Phase Two, the city cash is distributed with \$16,750 in design and \$2,000 in audit and legal expenses. The Department of Commerce has given permission for the entire \$100,000 cash to be considered as cash match for the purposes of this application. The City has incurred approximately \$8,000 in fees for the services of a bonding attorney and there may be some legal fees for reviewing contracts and documents. It is estimated that one or two thousand dollars will be needed for costs related to the audit at the end of the project. Please see Exhibit 7 for cash match documentation.

**City In-Kind:** The city will contribute infill materials from the city-owned gravel pit. The city will contribute \$10,000 infill material for Phase Two.

The total amount of the project indicated by this budget is \$2,467,500. Please note the engineering cost estimates listed in Exhibit 8 are for a project cost of \$2,432,000. The engineering cost estimates do not include the planning costs and the facility plan costs. When added onto the stamped engineering cost estimates, the total project comes to \$2,467,500.

# **DETAILED COST ANALYSIS**

1.	Have preliminary plans and specs been submitted to regulatory ag	encies for review?  Barrey  Personal No
	If yes, list date submitted: May 2006 If no, list expected date to be submitted: NA	
2	Has final design (for bidding) begun? If yes, % complete: If no, what is expected start date: January 01, 2009	Yes <u></u> No
3	Will project include bid alternatives to meet project budget as necessity	essary? BB Yes No
4	Are Davis Bacon wage rates applicable? If yes, are they included in the project costs?	Yes No No No
5	Have known environmental measures been included in project but mitigation, archeological survey, storm water drainage, wetland m	•
6.	What percent of contingency has been included in project budget?	10 %
7.	List the last date the owner and design professional discussed proj Date: <u>August, 2008</u>	ect design and details
8.	Design Professional Cost Estimate may be found in <u>Appendix 8</u> .	

# PROJECT SCHEDULE & CONTACTS

PROJECT SCHEDULE					
Project Activity	Date (to be) Completed	Documentation in Appendix			
Grant Administrator Procured	09/12/06	Exhibit 2			
Eng/Architect Procured	07/14/06	Exhibit 3			
Other Funding Secured	11/30/06	Exhibit 7			
Permits Identified & Secured	10/02/08	Exhibit 14			
Public Participation Plan	10/09/07	Exhibit 1			
First Public Hearing	10/06 and 10/09/07	Exhibit 1			
LMI Income Survey (no survey needed)	NA	Exhibit 4			
Environmental Scoping Checklist	10/10/07	Exhibit 5			
USDA and DEQ Environmental	July 2007	Exhibit 5			
Fair Housing Proclamation	04/10/2007	Exhibit 6			
Fair Housing Resolution	15/15/07	Exhibit 6			
Cost Estimates Updated	10/16/08	Exhibit 8			
Increased Water Rates	11/27/07 and 01/01/08	Exhibit 13			
Sub recipient Agreement Drafted	NA	NA			
CDBG Environmental Review Complete	04/09				
Complete 504 Requirements	07/09				
Complete Fair Housing Requirements	09/09				
Bids Advertised	05/09				
Start Construction	06/09				
Second Public Hearing	07/09				
Certificate of Substantial Completion	08/26/09				
Closeout	09/02/09				

PROFESSIONAL & AGENCY CONTACTS					
Type	Firm/Agency	Phone	Topic		
Engineer	Civil Science Engineering	208-737-0007	Engineering		
Bond Counsel	Mike Moore	208-331-1800	Bonding		
Funding Agency	Sid Curnow/USDA	785-5840 x 120	Bond & Grant		
Environmental Officer	Brenda Kay/SICOG	233-4032 x 19	Environmental		
Permits	Rob Ramsey	208-737-0007	Questions/Docs		
Regulatory Compliance	Cass Fonnesbeck/SICOG	233-4032 x 19	Compliance		
Public Works Director	Tony Hancock	208-897-5342	<b>Water Questions</b>		
Mayor	Dennis Phillips	208-897-9904	City of Downey		
Finance Officer	Brenda Kay	208-897-5342	Bookkeeping		

# FINANCIAL PROFILE

Is the Grantee a (select on	ne):			
<u> </u>	Cou	inty		
If a sub-recipient, what type	of organization (se	act one).		
□Water District	Sewer I		□Homeowner	's Association
☐For-Profit Company	y □Non-Pr	ofit Company	□Water Assoc	iation
☐Fire District	□Hospita			
☐Other (please expla	in):			
Section I. Water System				
Water Source: ⊠ wells Water Treatment Method: <u>Ch</u>		l springs □ lal	ke □ purc	chase $\square$ other
1. Number of people ser	ved within by the sys	stem:		<u>617</u>
2. Number of hook-ups				
3. Number of equivalent	dwelling units:			<u>325</u>
4. EDU's on the system:				
5. Number of residential				
6. Number of commercial				
7. Number of industrial				
8. Number of wells: (cul				
9. Number of fire hydrar				
10. Storage reservoir (gal				
11. Water piping (linear f				
12. Are all system users of				
13. Are meters consistent				
14. For residential users,			00 gallons	
15. When was the last rate	· · · · · · · · · · · · · · · · · · ·		Φ1.7. O.O.	January 1, 2008
16. How much were the r	ates increased?	Base was ▲ by	<u>\$15.00</u>	
Annual water system revenu		\$	141,340	
Current funds in capital impro	vement account	\$	0	
Current funds in reserve fund		\$	8,967	
Total dollar amount owed by	customers in arrears	\$	3,993	
Annual water system expens	ses	\$	\$1,00 <u>0</u>	
Residential Hook-up Fee	Charges based on	\ <u>-</u>	\$1,50 <u>0</u>	
Commercial Hook-up Fee	line size not on		\$4,00 <u>0</u>	
Industrial Hook-up Fee	category of user.	\$4" \$1	<u>10,000</u>	

# Value and description of assets

Land	\$	242,500
Buildings	\$_	81,000
Equipment	\$_	150,000
Other: Fire hydrants, reservoirs, pipe fittings, valves, meters etc	\$_	903,000
<b>Total Asset Value</b>	\$_	1,376,500

## **Identify outstanding indebtedness**

Debt	Yrs Remaining	<b>Annual Payment</b>	Lender
Bonds	none	none	none
Loans	none	none	none
Other	none	none	none

Explain Water Conservation Methods Implemented: <u>The City provides an annual water</u> awareness presentation at the elementary school. The City puts intermittent notices into water bills asking residents to water prudently and during the early morning or evening. Flyers are mailed out and posted occasionally.

# **Section III: Grantee Taxing Authority**

The City receives its operating funding from taxes and bonds.

The City of Downey has taxing authority.

Do you tax? 4 Yes No

- 1. Was is the tax rate? .010421309
- 2. What is the annual tax amount generated? \$136,870
- 3. What are the taxes used for? Parks, general government, streets, fire department, payroll, contract labor, snow removal, equipment, insurance, street maintenance, animal control, police protection, utilities and phone.

# Section IV: Grantee Financial Summary (based on most current audit report)

#### Revenue

Taxes	\$ 144,453.11
Licenses and Permits	\$ 5,693.16
Intergovernmental	\$ 77,523.47
Charge for Services	\$ 201,843.95
Miscellaneous	\$ 61,541.31
Other	·

Total Annual Revenue \$ 497,055.00

**Expenses** 

# Section V. Grantee Growth Management Planning

When was the Comprehensive Plan last updated? 1997 Currently updating

Which of the following tools do you implement as land use measure and controls?

Land Use Tool	Yes	No
Building Codes	X	
Historical Preservation		X
Conventional Zoning Ordinances	X	
Other Zoning Options:		
Bonus or incentive zoning		X
Transfer of development rights		X
Planned Unit Development (PUD)		X
Development agreements		X

Do you currently implement any of the following?

Item	Yes	No
Economic Development Plan		X
Development Impact Fees		X
Local Option Tax (resort)		X
Toll Roads		X
Distance Based Impact Fees		X
Tree City USA	X	

# **COMMUNITY DEMOGRAPHIC PROFILE**

Name of Applicant: City of Downey

	TOTAL DOD
	TOTAL POP BENEFITED
TOTAL DODLIL ATION DENIEDITED (15 1155	613
TOTAL POPULATION BENEFITED (if different from city/county population in census	613
TOTAL POPULATION IN APPLICANT'S AREA	613
Total Male	302
Total Female	311
Total White	595
Percent White of Total Population	97.1%
MINORITY POPULATION	<i>77.</i> 170
Black/African American	0
American Indian/Native Alaskan	3
Asian	1
Native Hawaiian or Pacific Islander	3
American Indian/Alaskan Native and White	1
Asian and White	0
Black/African American and White	0
American Indian/Alaskan Native and Black/African American	0
Other Multi-Racial	0
Hispanic	10
TOTAL MINORITY POPULATION	18
Percent of Total Population	2.9%
SENIOR CITIZENS	
Total Persons 65 Years and Over	150
Percent of Total Population	24.5
DISABILITY STATUS	
Civilian Non-institutionalized Population 16-64	314
Percent with Work Disability	10.5%
Civilian Non-institutionalized Population 65 Years and Over	73
Percent with Disability	48.7%
FEMALE HEAD OF HOUSEHOLD	
Total Households	233
Female Householder, No Husband Present	14
Percent of Total Households	6.0%

# PUBLIC FACILITIES REVIEW AND RANKING

# PROGRAM IMPACT

Percentage of ICDBG Dollars in Total Project 20%

Percentage of Local Matching Funds Compared to ICDBG Dollars: 30

(3 times as much match as there is Block Grant. 75% Match 25% Block Grant or 60% of total

project is match)

Block Grant Dollars per Person: \$810 Local matching funds per person: \$2,431

# **Eligible Activity Priority Ranking Sheet**

Eligibility	Points Possible	Percent of IDCBG Budget spent on Activity	Staff Points Awarded
Health and Safety	100	79%	
Engineering	100	11%	
Administrative	100	10%	
Total Points Awarded to Project			

#### NATIONAL OBJECTIVES

#### **Low-and-Moderate Income**

<u>Low-and-Moderate Income Percentage</u>: The Low-and- Moderate Income percentage for the City of Downey is 56.24. This figure comes from the USDA Department of Housing and Urban Development 2000 census. Please see Exhibit 4 for documentation. The Pocatello MSA is used for the City of Downey LMI percentage.

#### **Need and Impact**

#### Need

Springs Contamination: The Idaho Department of Environmental Quality has issued violations for the springs. There are two violations. The first is for exposure to cattle and the second is for exposure to surface water contamination. The City of Downey water source is mostly spring fed. There is no fencing around the spring areas so livestock and other animals can enter the areas, subjecting the water to contaminants. The second problem at the springs is that the surface water flows over the springs areas. This exposes the water to contaminants from surface water.

The transmission line from the springs down to the water tank are exposed in many areas. This creates a danger to the city for tampering and other harm to the line. The line needs to be buried to protect the system and the water.

Another problem is that the largest springs is not collecting as much water as the city needs. This spring needs to be rehabilitated and larger pipes will be put in place to capture more water for the city.

# **Impact**

Putting up a fence will eliminate the problem of livestock and other animals grazing and living in the area. The project also includes berming around the springs areas to divert the surface water from rains and melting snow. The fencing and berming will ensure that surface water is diverted from the 100-foot protection zone around the springs areas. This project will rehabilitate the springs. This will increase the amount of water captured and improve the quality of life for the citizens. These tasks will bring the city into compliance with IDEQ.

# PROJECT CATEGORIES

This is a water project.

# PLANNING, PREVIOUS ACTIONS AND SCHEDULE

<u>Design Professional</u>: The City of Downey has entered into a contract with an engineering firm. An engineer was procured July 14, 2006, using the approved procurement process. An advertisement was placed in the local newspaper of record. Four proposals were received. The City used the point sheets provided by Block Grant to review each proposal and assign points. The candidate receiving the most points was selected. Please see Exhibit 3 to review the Solicitation Process, Affidavit of Publication, Request for Proposal, Individual Evaluation Summary Sheets, City Council Minutes of Selection and Standard Form of Agreement documentation.

Grant Administration: There are no findings from previous monitoring or independent audits. The City hired and entered into a contract with a professional grant administrator according to state and federal guidelines for procurement for small purchases. The City advertised for Requests for Proposals in the local paper of record. One proposal was received. The City was familiar with the administrator who responded and selected them September 12, 2006. Please see Exhibit 2 to view Affidavit of Publication, Request for Proposal, and City Council Selection Minutes, Selection Letter from City of Downey and Professional Services Contract documentation.

<u>Plan/Studies:</u> The engineering portion of the facility plan has been accepted by the Idaho Department of Environmental Quality. The environmental portion of the plan is currently under review. Please see the letter from DEQ in Exhibit 12. A letter dated October 18, 2007. was received by the city stating that the review was completed and the revision adequately addressed DEQ comments. The City adopted the study in the City Council Meeting November 13, 2007.

<u>Environmental Scoping</u>: An environmental scoping checklist was completed in October 2007. The Environmental Review was completed and adopted by USDA. This Environmental Review is currently being evaluated by IDEQ.

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Agency Viability: The City is a viable agency, small but capable. The user rates were reviewed by USDA (Exhibit 13) and a \$42.00 user rate has been determined. The community increased rates to \$40.00 in January 2008 (Exhibit 13). The Idaho Community Development Block Grant financial profile worksheet is located in the application on pages 22-24.

<u>Property Acquisition:</u> No property acquisition is required for the project. The land is secured and easements are in place and identified on a map. A property description has been provided to demonstrate knowledge of exactly where land and easements are located. Please see Exhibit 14 Additional Planning.

<u>Funding Commitments</u>: Phase One has been fully funded, see Exhibit 7 letter from USDA dated December 05, 2008. This letter documents the approval of \$1,365,000 loan for the Phase One portion of the project.

# The city match of \$1,500,000 is a total of the following items:

\$7,500 contributed to the first part of the water study completed in 2003 \$3,500 paid for project development activities \$14,000 paid for the update and completion of the water study (2006) \$10,000 for bonding services, legal and audit \$107,610 for engineering \$1,307,390 for construction \$50,000 for financing expenses

# The total city match is \$1,500,000: \$125,000 city cash, \$1,365,000 loan and \$10,000 in-kind

Please see Exhibit 7 for documentation of cash match and in-kind match. The letter dated April 25, 2007, from Water Resources documents the grant amount that was deposited into the city account. These grants always have a 50/50 match. The next document date stamped March 14, 2002, has an arrow pointing to the \$7,500 grant; on the second page, the arrow identifies the language referring to 50% grant for the project. The City cash and in-kind letter dated November 13, 2007, documents that the City is contributing \$125,000 in cash and \$10,000 of in-kind to install fencing at the spring. The Professional Services Agreement signed May 9, 2006, documents the costs incurred for grant writing and the Agreement signed April 03, 2007, documents city cash used to get the environmental review initiated. The letter to Michael Moore dated September 22, 2006, documents that the city did engage the services of a bonding attorney and the following document is an email verifying that the minimum costs for these services is \$6,000. The last item in the Funding Exhibit (7) is the tally sheet documenting that the election process was completed. The City raised \$100,000 cash match. The Department of Commerce has given permission to use these funds as cash match for purposes of competing for funds for phase two.

<u>Schedule:</u> A project schedule has been completed and is located in the application (page 21). An engineering schedule has been prepared and is available for review in Exhibit 8. Phase Two will

be designed in early 2009. The project will be bid in May and will begin construction in June. The project will reach substantial completion in August and will close out in September 2009.

Administrative Capacity: The City of Downey is a viable agency as seen by the information presented in the application. The City has procured a professional administrator to assist with the proper handling of Block Grant funds (Exhibit 2). The City has a Section 504 and ADA Self-Evaluation and Transition Plan that was completed in 1998. The procured administrator will be assisting the City with these important tasks. The City passed an updated Fair Housing Resolution on April 15, 2007. It was published April 25, 2007, and again in April 2008. See Exhibit 6. Fair Housing requirements were met in 1998. The grant administrator will assist the City with the selection of a committee and the completion of more current Fair Housing requirements. The administrator will also assist the City in updating the 504-Transition Plan and help them carry out additional laws and regulations listed in the certifications page of the application. A Section 504/ADA coordinator was designated October 14, 2008.

Additional Planning: The city has worked long and hard getting this project ready to go into construction. In addition to obtaining acceptance of the Facility Plan Study by IDEQ, and securing USDA funding, the City made difficult decisions about water rates, project size and financing. The City also gathered information from the Association of Idaho Cities, hired a grant writer and project developer, wrote letters to citizens, held public meetings, and more. The voluminous amount of energy and time that City leaders have spent on this project can best be demonstrated by listing some of the meeting notes and correspondence.

Documentation of Land Grants (Exhibit 16)

Adoption of International Building Code (Exhibit 6)

Three public hearings (Exhibit 1 for 2008 and Exhibit 14 for 2007, 2006)

Letter from USDA dated 10-16-07, approving the water study. (Exhibit 14)

Letter from IDEO dated 10-18-07 accepting revisions to Facility Plan (Exhibit 14)

Letter from USDA-RD dated 12-05-07 documenting secured financing (Exhibit 7 & 14)

Bond and grant payoff comparisons used in planning meetings (Exhibit 14)

Scenario worksheet used in facility size planning meetings (Exhibit 14)

Draft RFP for engineering services prepared by the Mayor in the spring of 2006 (Exhibit 14)

Letter from Downey City Clerk to Association of Idaho Cities dated 5-4-05 (Exhibit 14)

Documentation of hiring a grant writer (Exhibit 14)

Letter to citizens communicating the water situation dated February 2006 (Exhibit 14)

Environmental Review contract (Exhibit 14)

Rate review of similar cities used in community meeting (entitled City Hookup & Utility Fees) (Exhibit 14)

Proposed fees for water rate increase meetings (Exhibit 13)

Proof of Publication announcing Bond Election on November 7, 2006 (Exhibit 14)

Documentation that bond election was held, Tally List (Exhibit 7)

Invitation to public meeting to discuss the system improvements (Exhibit 14)

Idaho Bond Bank Alert concerning pooled bond financing (Exhibit 14)

Letter from Wells Fargo Bank dated 6-1-06 as possible place to sell bonds (Exhibit 14) Letter from Ireland Bank dated 3-5-07 as possible place to sell bonds (Exhibit 14) Executive summary of updated Culinary Water Study submitted in November 2006 (Exhibit 14) USDA adoption of Environmental Assessment (Exhibit 5)

# **COST ANALYSIS**

A detailed cost analysis is available in the application (see page 20).